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EXAMINER

ROSEN, ELIZABETH H

ART UNIT

PAPER NUMBER

3692

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/810,817	<b>Applicant(s)</b> DUBEY ET AL.	
	<b>Examiner</b> Elizabeth H. Rosen	<b>Art Unit</b> 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 04 May 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 2-8, 15-20 and 28-32 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 2-8, 15-20 and 28-32 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 5) <input type="checkbox"/> Notice of Informal Patent Application                       |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### *Status of Claims*

1. This action is in reply to the Amendment and Response filed on May 4, 2009.
2. Claims 1, 9-14, and 21-27 have been canceled.
3. Claims 29-32 have been amended.
4. Claims 2-8, 15-20, and 28-32 are currently pending and have been examined.

### *Response to Arguments*

5. Examiner would like to point out that the Supreme Court in *KSR International Co. v. Teleflex Inc.* described seven rationales to support rejections under 35 U.S.C. 103:

- Combining prior art elements according to known methods to yield predictable results;
- Simple substitution of one known element for another to obtain predictable results;
- Use of known technique to improve similar devices (methods, or products) in the same way;
- Applying a known technique to a known device (method, or product) ready for improvement to yield predictable results;
- “Obvious to try” –choosing from a finite number of identified, predictable solutions, with a reasonable expectation of success;
- Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations would have been predictable to one of ordinary skill in the art; and
- Some teaching, suggestion, or motivation in the prior art that would have led one of ordinary skill to modify the prior art reference or to combine prior art reference teachings to arrive at the claimed invention.

Prior art is not limited just to the references being applied, but includes the understanding of one of ordinary skill in the art. The prior art reference (or references when combined) need not teach or suggest all the claim limitations; however, Office personnel must explain why the difference(s) between the prior art and the claimed invention would have been obvious to one of ordinary skill in the art. The “mere existence of differences between the prior art and an invention does not establish the invention’s nonobviousness.” see *Dann v. Johnson*, 425 U.S. 219, 230 (1976).

6. Applicant’s arguments are moot in light of the new grounds of rejection. Rejections under 35 U.S.C. 101 and 112 stand as explained below in the rejections.

### ***Claim Rejections - 35 USC § 101***

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. **Claims 2-8, 28, 29, and 31** are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *In re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

9. An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

10. Here, Applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, these claims are non-statutory since they may be performed within the human mind.

11. The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Note the Board of Patent Appeals Informative Opinion *Ex parte Langemyer et al*.

12. All features that may be the patentable features must be performed by a computer or processor.

13. **Claims 15-20, 30, and 32** are rejected under 35 U.S.C. 101 because they are directed to non-statutory subject matter. Claims directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

14. A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987).

15. The structural limitations of these claims are computer code per-se and are not statutory. It is unclear what statutory class these claims belong to. According to the preamble, these claims could be

product claims or method claims. If they are product claims, the instructions must be computer executable.

### ***Claim Rejections - 35 USC § 112, First Paragraph***

16. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

17. **Claim 2-8, 15-20, and 28-32** are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

18. The following from at least Claim 29, which is representative of other claims, is not described in the specification and is, therefore, new matter:

- *collateral agreement object*
- *plurality of collateral objects*
- *global declaration of purpose object*
- *when a new receivable object is created in the computer system representing an unsecured receivable* (The specification does not specify that the new receivable must be unsecured. For example, it could be partially secured.)
- *the criteria specifying requirements for securing the unsecured receivable to at least one collateral specified in the collateral agreement object managed by the computer system* (Some examples are given such as identity of borrower or type of receivable, but this new limitation is broader than what is disclosed in the specification.)
- *recording the new receivable object in the computer system with a link that directly identifies the collateral agreement object*

### ***Claim Rejections - 35 USC § 112, Second Paragraph***

19. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

20. **Claims 2-8, 15-20, and 28-32** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These claims include features which are unclear and not properly described in the specification. For example, it is unclear whether the agreement is associated with the receivables before the steps are performed. From the language of the claims, it appears that when a new receivable object is created, criteria are identified from a specific global declaration of purpose/collateral agreement. Is the agreement previously associated with the receivable? Moreover, when the entire claim is read as a whole, the invention is not clearly defined. It is difficult to determine how the whole invention operates. For example, is there only one collateral agreement that used to determine whether a receivable is secured? Does the linking make the receivable secured? Is the receivable not secured prior to the linking? Or is the linking merely "record keeping"?

21. **Claims 15-20, 30, and 32** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These claims do not clearly belong to a single statutory class. The preamble indicates that these claims can be product claims or method claims. These claims should be amended to make it clear to which statutory class they belong.

### ***Claim Rejections - 35 USC § 103***

22. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

23. **Claims 2-8, 15-20, and 28-32** are rejected under 35 U.S.C. 103(a) as being unpatentable over **Fudali et al.**, U.S. Patent Number 7,480,632.

Note: The independent claims are Claims 29-32.

#### **Claim 2:**

**Fudali** further discloses:

- wherein the criteria include an identity of a party to the collateral agreement (see at least Fudali, column 11, lines 29-37 (The allocation rules may differ among investors.)).

**Claim 3:**

**Fudali** further discloses:

- wherein the criteria include a type of the unsecured receivable (see at least Fudali, column 11, lines 29-37 (A liability that is not fully collateralized is associated with assets.)).

**Claim 4:**

**Fudali** further discloses:

- wherein the criteria are applied pursuant to the processing of a new or existing the unsecured receivable (see at least Fudali, column 11, lines 29-37 (“After pre-allocation has been completed, or if no pre-allocation is used, the collateral management system 2 allocates a sufficient number of additional assets (which have not been allocated during pre-allocation) to fully collateralize the liability in accordance with the allocation rules agreed to [by] the investment bank 16 and the investor 18.”)).

**Claim 5:**

**Fudali** further discloses:

- wherein the criteria are applied pursuant to the processing of a new or existing the collateral agreement (see at least Fudali, column 11, lines 29-37 (“After pre-allocation has been completed, or if no pre-allocation is used, the collateral management system 2 allocates a sufficient number of additional assets (which have not been allocated during pre-allocation) to fully collateralize the liability in accordance with the allocation rules agreed to [by] the investment bank 16 and the investor 18.”)).

**Claim 6:**

**Fudali** further discloses:

- wherein the link is formed between the receivable object and an object representing a portion of the collateral agreement (see at least Fudali, column 12, lines 4-13 (Several assets at different grades are available for allocation.)).

**Claim 7:**

**Fudali** further discloses:

- wherein the link is formed between an object representing a component of the receivable and the collateral agreement object (see at least Fudali, column 11, lines 29-37 (If pre-allocation occurs, the liability may be partially collateralized.)).

**Claim 8:**

**Fudali** further discloses:

- wherein the link is formed between an object representing a component of the receivable and an object representing a portion of the collateral agreement (see at least Fudali, column 11, lines 29-37 (If pre-allocation occurs, the liability may be partially collateralized.) and column 12, lines 4-13 (Several assets at different grades are available for allocation.)).

**Claim 15:**

Claim 15 is rejected using the same rationale that was used for the rejection of Claim 28.

**Claim 16:**

**Fudali** further discloses:

- wherein the collateral agreement includes a plurality of portions, each of the portions having associated therewith distinct criteria for forming a link between a respective portion and a receivable secured by the collateral agreement (see at least Fudali, column 12, lines 4-13 (Several assets at different grades are available for allocation.)).

**Claim 17:**

**Fudali** further discloses:

- wherein the collateral agreement includes a plurality of portions, each of the portions having a priority (see at least Fudali, column 12, lines 4-13 (Several assets at different grades are available for allocation.)).

**Claim 18:**

Claim 18 is rejected using the same rationale that was used for the rejection of Claim 6.

**Claim 19:**

Claim 19 is rejected using the same rationale that was used for the rejection of Claim 7.



**Claim 20:**

Claim 20 is rejected using the same rationale that was used for the rejection of Claim 8.

**Claim 28:**

**Fudali** further discloses:

- wherein the collateral agreement includes a plurality of portions, each of the portions having assigned thereto a value that is a part of a total value of the collateral agreement (see at least Fudali, column 12, lines 4-13 (Several assets at different grades are available for allocation.)).

**Claim 29:**

**Fudali** discloses the limitations of:

- applying criteria identified in the [agreement] to the new receivable object, the criteria specifying requirements for securing the unsecured receivable to at least one collateral specified in the collateral agreement object managed by the computer system (see at least Fudali, column 11, lines 29-37 ("After pre-allocation has been completed, or if no pre-allocation is used, the collateral management system 2 allocates a sufficient number of additional assets (which have not been allocated during pre-allocation) to fully collateralize the liability in accordance with the allocation rules agreed to [by] the investment bank 16 and the investor 18.")).
- if the unsecured receivable meets the criteria of the global declaration of purpose object, recording the new receivable object in the computer system with a link that directly identifies the collateral agreement object (see at least Fudali, column 12, lines 4-13 ("If trade N has an outstanding balance then a determination is made whether validated assets of an appropriate grade are available for allocation (S126). If assets are not available, the cash is added to make up the shortfall (Step S128). If assets are available, then the allocation proceeds according to the general allocation rules described above (S130). After an asset is applied to a trade for collateral, collateral management system 2 subtracts the collateral amount from the trade's outstanding balance and assesses the trade's (or investor's) newly calculated outstanding balance (S120).)).
- if the unsecured receivable does not meet criteria of any global declaration of purpose object stored by the system, recording the new receivable object in the computer system without a link to the collateral agreement object (see at least

Fudali, column 12, lines 4-13 ("If trade N has an outstanding balance then a determination is made whether validated assets of an appropriate grade are available for allocation (S126). If assets are not available, the cash is added to make up the shortfall (Step S128). If assets are available, then the allocation proceeds according to the general allocation rules described above (S130). After an asset is applied to a trade for collateral, collateral management system 2 subtracts the collateral amount from the trade's outstanding balance and assesses the trade's (or investor's) newly calculated outstanding balance (S120).)).

**Fudali** does not explicitly disclose:

- global declaration of purpose object.

**Fudali**, however, does disclose:

- An agreement between the investment bank and the investor (see at least Fudali, column 11, lines 29-37).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature with Fudali's electronic collateral management system and method. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of using a global declaration of purpose object that represents the agreement between the parties. A global declaration of purpose is an obvious substitution for the agreement between the parties that is disclosed in Fudali. They serve the same purpose and have the same result. Furthermore, a global declaration of purpose is part of the specification's Background Information as prior art.

**Claim 30:**

Claim 30 is rejected using the same rationale that was used for the rejection of Claim 29.

**Claim 31:**

**Fudali** discloses the limitations of:

- applying criteria identified in the [agreement] to a plurality of receivable objects, the global declaration of purpose object specifying requirements for securing an unsecured receivable to the new collateral agreement (see at least Fudali, column 11, lines 29-37 ("After pre-allocation has been completed, or if no pre-allocation is used, the collateral management system 2 allocates a sufficient number of additional assets (which have not been allocated during pre-allocation)

to fully collateralize the liability in accordance with the allocation rules agreed to [by] the investment bank 16 and the investor 18.”)).

- for any receivable object that meets criteria of the global declaration of purpose object, storing a link in association with the respective receivable object that directly identifies the new collateral agreement object as related to the receivable object (see at least Fudali, column 12, lines 4-13 (“If trade N has an outstanding balance then a determination is made whether validated assets of an appropriate grade are available for allocation (S126). If assets are not available, the cash is added to make up the shortfall (Step S128). If assets are available, then the allocation proceeds according to the general allocation rules described above (S130). After an asset is applied to a trade for collateral, collateral management system 2 subtracts the collateral amount from the trade’s outstanding balance and assesses the trade’s (or investor’s) newly calculated outstanding balance (S120).)).

**Fudali** does not explicitly disclose:

- global declaration of purpose object.

**Fudali**, however, does disclose:

- An agreement between the investment bank and the investor (see at least Fudali, column 11, lines 29-37).

It would have been prima facie obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature with Fudali’s electronic collateral management system and method. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of using a global declaration of purpose object that represents the agreement between the parties. A global declaration of purpose is an obvious substitution for the agreement between the parties that is disclosed in Fudali. They serve the same purpose and have the same result. Furthermore, a global declaration of purpose is part of the specification’s Background Information as prior art.

**Claim 32:**

Claim 32 is rejected using the same rationale that was used for the rejection of Claim 31.

Art Unit: 3692

### ***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elizabeth Rosen whose telephone number is 571-270-1850. The examiner can normally be reached on Monday - Friday, 9:30 am - 6:00 pm, ET.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached at 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Elizabeth H Rosen  
Examiner, Art Unit 3692

/Nga B. Nguyen/  
Primary Examiner, Art Unit 3692